

### **REMARKS**

Applicants have studied the Office Action dated July 16, 2008. Independent claims 58, 64, and 70 have been amended. Claims 58-75 are pending. It is submitted that the present response places the application in condition for allowance or, at least, presents the application in better form for appeal. Entry of the present response is therefore respectfully requested and reconsideration and allowance of the pending claims in view of the above amendments and the following remarks are respectfully requested.

In the Office Action, the Examiner:

- Objected to claims 58, 64, and 70 for informalities;
- Rejected claims 58-75 under 35 U.S.C. §103(a) as being unpatentable over Hogan (U.S. Patent 6,315,193) in view of Macias (U.S. Patent Application Publication No. 2002/01116324).

#### Objection to the Claims 58, 64, and 70 for Informalities

As noted above, the Examiner objected to claims 58, 64, and 70 for informalities. Applicants would like to thank Examiner Chandler for her suggestions. Claims 58, 64 and 70 have been carefully amended as suggested by Examiner Chandler. Accordingly, Applicants respectfully submit that the objection to claims 58, 64, and 70 has been overcome and should be withdrawn.

#### Rejection Under 35 U.S.C. 35 U.S.C. §103(a) over Hogan and Macias

As noted above, the Examiner rejected claims 58-75 under 35 U.S.C. §103(a) as being unpatentable over Hogan (U.S. Patent 6,315,193) in view of Macias (U.S. Patent Application Publication No. 2002/01116324). The Examiner correctly states in the penultimate paragraph of page 6 of the July 16, 2008 Office Action:

*Hogan fails to explicitly disclose wherein the first credit limit is based solely upon transaction information for the first account as identified by the prepaid card, wherein the transaction information consists of one or more of: i) the plurality of deposit transactions into the first account; ii) purchase transaction information for the first account; and iii) loan granting and repayment information for the first account, and no other financial information of an account holder associated with the first account.*

The Examiner goes on to combine Hogan with Macias.<sup>1</sup> The Examiner states on the bottom of page 6 of the July 16, 2008 Office Action:

*Macias discloses wherein the first credit limit is based solely upon transaction information for the first account as identified by the prepaid card, wherein the transaction information consists of one or more of: i) the plurality of deposit transactions into the first account; ii) purchase transaction information for the first account; and iii) loan granting and repayment information for the first account, and no other financial information of an account holder associated with the first account. (Macias, abstract, Fig. 1, [0001] – [0014].)*

To begin, Applicants point out that Macias is only fourteen (0014) paragraphs in length for the entire application. A short reference that can be read in minutes. The Examiner is pointing to all paragraphs of Macias for this teaching. Applicants respectfully disagree and traverse this rejection. Macias as described in the Abstract is:

An improved bank card which establishes an individual line of credit for each customer, as a result of agreement between the customer and the bank, and which serves to access the customers's [sic] checking and savings accounts in a manner defined by the customer before tapping into the line of credit. In essence, a combination of the features of a debit and credit card wrapped into one card.

Macias is providing a combined debit and credit card using multiple accounts. Out of the entire fourteen paragraphs in Macias, there are only two paragraphs in the detailed

---

<sup>1</sup> Applicants make no statement whether such combination is even proper.

description, specifically paragraphs [0013] and [0014]. These two paragraphs are reproduced below in their entirety (emphasis added)

[0013] In that form of the present invention chosen for purposes of illustration, FIG. 1, shows a bank card, indicated generally at 10. As seen in FIG. 1, the bank card 10 is programmed at 12 by inputs from both the customer 14 and the bank 16 to indicate which of the customer's accounts are to be the primary, secondary and tertiary sources of funds for transactions made with the bank card 10 and the circumstances under which the line of credit is to be tapped. At the same time, the bank can determine the risk for each customer on an individual basis and apply an appropriate rate of interest for the line of credit which is substantially higher than the rate paid on checking or savings accounts, yet is considerably lower than the rates normally charged for the unpaid balances of conventional credit card accounts. Thereafter, when the customer 14 uses the bank card for transactions at an ATM machine 18, store 20, Internet purchase 22, catalogue purchase 24 or the like, the bank card 10 instructs the charging machine 18, 20, 22 or 24 to charge the transaction, first, to the primary source selected by the customer. If the balance in the desired account is insufficient to cover the transaction, the bank 16 will notify the charging machine 18, 20, 22 or 24; whereupon, the bank card 10 instructs the charging machine 18, 20, 22 or 24 to apply the overage of the transaction to the secondary account, etc. and, finally, to tap the pre-established line of credit. It will be seen that any type of account can be used by the customer 14, subject to the rules and regulations of the bank 16 and its governing agencies. This provides the customer 14 with the maximum possible control and flexibility in the use of their money. Also, the bank can evaluate the risk for each customer, on an individual basis, and can determine the appropriate rate of interest for the line of credit. This enables the bank to maximize its income and minimize its risk.

[0014] Obviously, numerous variations and modifications can be made without departing from the spirit of the present invention. Therefore, it should be clearly

understood that the forms of the present invention described above and shown in the figure of the accompanying drawing are illustrative only and are not intended to limit the scope of the present invention.

Macias is teaching multiple accounts tied to a single card. Applicants respectfully submit that the Examiner is incorrectly broadening the teachings of Macias. This use of multiple accounts is not the same as recited in the claim elements in independent claims 58, 64, and 70 of "*wherein the first credit limit is based solely upon transaction information for the first account as identified by the prepaid card.*" Accordingly, independent claims 58, 64, and 70 of the present invention distinguish over Hogan taken alone and/or in view of Macias for at least this reason.

The Examiner fails to give any patentable weight to a *prepaid card* and *wherein the first credit limit is based solely upon transaction information for the first account as identified by the prepaid card*. A debit card as taught by Macias takes funds directly from the money that card user has in his/her bank account—in a sense acting like a check, just faster. In contrast, a prepaid card is a reloadable card that allows the user to only spend up to the amount he/she has pre-deposited into the account. The present invention allows only the purchase transaction information in the prepaid card account to be used on deciding whether or not to extend credit. This distinction is important. The present invention provides services to a class of customer not served by Macias. Specifically, the present invention serves customers that can not or choose not to establish credit through separate financial histories and financial background checks. In contrast, Hogan expressly teaches at col 5, lines 29-33 (emphasis added) that "*a financial institution receives an application from a customer desiring to obtain a financial transaction card having an installment loan feature.*" Hogan goes on to state at col. 5, lines 44-45 and illustrates at steps 120 and 130 of FIG. 1A that "*If the consumer is not creditworthy the application is rejected in step 130.*" Accordingly, Hogan requires that an application be filled-out and the application be pre-approved to receive a loan feature. Similarly, Macias requires the establishment of a bank account and tying the

card to one or more of these accounts. Under U.S. law, bank accounts can only be open if applications are filled out with a bank. See Macias paragraph [0013] *"As seen in FIG. 1, the bank card 10 is programmed at 12 by inputs from both the customer 14 and the bank 16 to indicate which of the customer's accounts are to be the primary, secondary and tertiary sources of funds for transactions made with the bank card 10 and the circumstances under which the line of credit is to be tapped."* Clearly, Macias is describing opening a typical bank account with a pre-established line of credit. Macias is completely silent on looking at the transaction histories of a single prepaid card account for establishing credit as recited in independent claims 58, 64, and 70 by *"wherein the first credit limit is based solely upon transaction information for the first account as identified by the prepaid card.* Further, under U.S. banking laws, a social security or other tax identifier must be used to establish an account. In contrast, no such requirement exists for a prepaid card. The present invention provides a service to a class of customers that can not or choose not to establish credit through separate financial histories and financial background checks. This group of customers includes both tourists, guest workers, and both legal and illegal resident aliens. The present invention solves this problem by looking only at transaction histories for the prepaid account.

Applicants respectfully submit that the Examiner is broadening the teaching of Macias and is biased by hindsight. The Supreme Court recently admonished against such use of hindsight bias *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. \_\_\_, 2007 WL 1237837, at 17 (2007) "[a] factfinder should be aware, of course, of the distortion caused by hindsight bias and must be cautious of argument reliant upon ex post reasoning." and "[r]igid preventative rules that deny factfinders recourse to common sense, however, are neither necessary under our case law nor consistent with it."

Accordingly, with no teaching or suggestion found in Hogan taken alone and/or in view of Macias, the Examiner has failed to properly establish a *prima facie* case of obviousness of the invention as a "whole" as required under 35 U.S.C. 103. Applicants

submit independent claims 58, 64, and 70 distinguish over Hogan taken alone and/or in view of Macias for the reasons stated above. The Examiner has failed to properly establish a *prima facie* case of obviousness as required under 35 U.S.C. 103.

The Examiner states in the penultimate paragraph on page 7 of the July 16, 2008 Office Action *"As suggested by Macias, one would have been motivated to allow each customer to establish an individual line of credit; allow customers to draw on liquid assets before tapping into a line of credit; and allow financial institutions to increase profits."* The Examiner in disregarding essential claim limitations in an attempt to reach one of the obviousness rationales set forth in the USPTO's Examination Guidelines Fed. Reg. vol. 72 195 Oct. 10, 2007 promulgated as a response to KSR. Applicants respectfully disagree. Macias is silent on prepaid cards and use of a single prepaid account. If the Examiner's statements are based on facts within the personal knowledge of the Examiner, Applicants respectfully request that the Examiner support these references by filing an affidavit as is allowed under MPEP §707 citing 37 CFR 1.104(d)(2). A patent composed of several elements is not proved obvious merely by demonstrating that each element was, independently, known in the prior art. KSR Int'l Co. v. Teleflex Inc., 550 U.S. \_\_\_, 2007 WL 1237837, at 12 (2007); Ashland Oil, Inc. v. Delta Resins and Refractories, Inc., 776 F.2d 281, 293, 227 USPQ 657, 664 (Fed. Cir. 1985), cert. denied sub nom. 475 U.S. 1017 (1986). Accordingly, independent claims 58, 64, and 70 of the present invention distinguish over Hogan taken alone and/or in view of Macias for at least these reasons as well.

With respect to dependent claims 61, 67, 73 and claims 62, 68, 74, the Examiner in the last paragraph on page 7 of the July 16, 2008 Office Action states:

*Further, Claims 58-75 apply a known techniques to a known device (method, computer readable medium, system) ready for improvement to yield predictable results.* The Applicants respectfully disagree. The Examiner goes on to broaden the teaching of Hogan to now apply to any type of card, where Hogan is completely silent on prepaid card. As explained above, both a credit card and debit card require an application be

filled out and personal information shared with the bank. No such requirement is necessary for a prepaid card. Moreover, Macias is limited to multiple bank accounts and pre-established lines of credit. This involves credit applications at a bank or financial institution. The Examiner completely ignores the limitation in dependent claims 61, 67, 73 and claims 62, 68, 74 that build upon the use of granting a loan only on the transaction information in an account as opposed to other financial information to help a user build up credit at second institution by reciting:

Claim 61, 67, 73 – further comprising:

[...] wherein the preceding steps are performed by a first financial institution and the subsequent steps are performed by a second financial institution independent of the first financial institution, the method at the second financial institution comprising:

determining a second credit limit amount associated with a second account independent of the first account in response to the transaction information received from the first financial institution;

receiving a request for authorization of a second purchase transaction associated with the second account; and

authorizing the second purchase transaction when the second credit limit amount is greater than or equal to the second purchase transaction.

Claim 62, 68, 74 use the transaction history to increase the loan amount in response to transaction history, without the use of other financial information.

[...] further comprising:

receiving a plurality of deposit transactions depositing funds into the first account;

authorizing each of a plurality of purchase transactions when the funds within the first account are greater than or equal to each of the plurality of purchase transactions; and

including the plurality of deposit transactions and purchase transactions in the transaction information, and wherein the first credit limit is determined to be zero upon reception of a first deposit transaction and increases the credit limit in response to subsequent deposit transactions.

In contrast, Macias is tied to a single financial institution. The Examiner cites 35 U.S.C. § 103(a). The Statute expressly requires that obviousness or non-obviousness be determined for the claimed subject matter "as a whole," and the key to proper determination of the differences between the prior art and the present invention is giving full recognition to the invention "as a whole." The Hogan reference taken alone and/or in view of Macias simply does not suggest, teach, or disclose the patentably distinct elements in independent claims 58, 64, and 70 of "determining a first credit limit associated with a loan amount for the first account wherein the first credit limit is based upon transaction information including the plurality of deposits into the first account" is not taught or disclosed by Hogan. The credit worthiness in Hogan taken alone and/or in view of Macias, is based on an application rather than actual transaction history. Hogan and Macias cannot provide a loan without use of an application process. Accordingly, the present invention distinguishes over Hogan taken alone and/or in view of Macias, for at least this reason. Applicants respectfully submit that the Examiner's rejection under 35 U.S.C. § 103(a) has been overcome.

Independent claims 58, 64, and 70 distinguish over Hogan taken alone and/or in view of Macias. Claims 59-63, 65-69 and 71-75 depend from independent claims 58, 64, and 70 respectively. Since dependent claims contain all the limitations of the independent claims, claims 59-63, 65-69 and 71-75 distinguish over Hogan taken alone and/or in view of Macias, as well.



### **CONCLUSION**

The prior art made of record and not relied upon was reviewed and Applicants believe that such prior art is not pertinent to Applicants' disclosure.

No amendment made was related to the statutory requirements of patentability unless expressly stated herein. No amendment made was for the purpose of narrowing the scope of any claim, unless Applicants have argued herein that such amendment was made to distinguish over a particular reference or combination of references.

Applicants acknowledge the continuing duty of candor and good faith to disclose information known to be material to the examination of this application. In accordance with 37 CFR §1.56, all such information is dutifully made of record. The foreseeable equivalents of any territory surrendered by amendment are limited to the territory taught by the information of record. No other territory afforded by the doctrine of equivalents is knowingly surrendered and everything else is unforeseeable at the time of this amendment by the Applicants and their attorneys.

The Commissioner is hereby authorized to charge any fees that may be required or credit any overpayment to Deposit Account 50-1556. In view of the preceding discussion, it is submitted that the claims are in condition for allowance. Reconsideration and re-examination is requested.

**PLEASE CALL** the undersigned if the Examiner believes that there are any informalities that can be corrected by Examiner's amendment, or that in any way it would help expedite the prosecution of the patent application.

Appl. No. 10/085,820  
Docket No. 640-A01-004  
Reply to Office Action of July 16, 2008

Respectfully submitted.

Date: November 17, 2008

By: /Jon A. Gibbons/  
Jon A. Gibbons(Reg. No.37,333)  
Attorney for Applicant

FLEIT GIBBONS GUTMAN  
BONGINI & BIANCO P.L.  
One Boca Commerce Center  
551 N.W. 77th Street, Suite 111  
Boca Raton, Florida 33487  
Telephone: (561) 989-9811  
Facsimile: (561) 989-9812  
[www.FGGBB.com](http://www.FGGBB.com)